

Louisiana Children's Health Insurance Program

SFY 2017 Mid-Year Report

Louisiana Children's Health Insurance Program (LaCHIP)

Bureau of Health Services Financing

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EXECUTIVE SUMMARY

The Louisiana Children's Health Insurance Program (LaCHIP) is an optional Medicaid program that provides healthcare coverage to uninsured children up to age 19, and to enrollees in the LaCHIP Unborn Option (Phase IV) which provides prenatal care services, from conception to birth, for low-income uninsured mothers who are not otherwise eligible for Medicaid. This program was created by Congress in the Balanced Budget Act of 1997, and enacted on August 5, 1997, under Title XXI of the Social Security Act. In Louisiana, LaCHIP was authorized by Senate Bill 78 of the First Extraordinary Session of the 1998 Louisiana Legislature. Louisiana implemented the first phase of LaCHIP as a Medicaid expansion program in November of 1998. Phase I provides coverage to children and youth in families with income up to 133 percent of the Federal Poverty Income Guidelines (FPIG). Since 1998, there have been four additional phases of LaCHIP based on income eligibility:

| Program | Income Guideline | Implementation Date |
|---|------------------|---------------------|
| Phase II | 150% FPIG | October 1999 |
| Phase III | 200% FPIG | January 2001 |
| Phase IV ¹ | 200% FPIG | May 2007 |
| Phase V ² | 250% FPIG | June 2008 |
| <i>The FPIGs listed above were current at the time of implementation of each program.</i> | | |

Since the inception of LaCHIP, there have been 593,265 children and Phase IV enrollees in the program, which has allowed them to receive much needed healthcare services.

LACHIP STATUS REPORT

PROGRAM OVERVIEW

To be eligible for LaCHIP Phases I, II, III and V, children must be under age 19, residents of Louisiana, and must meet citizenship and income guidelines. The services covered include doctors, hospitals, prescriptions, mental health, dental, vision, and immunizations. For Phase IV, pregnant women must be residents of Louisiana and uninsured. Citizenship is not a requirement, and coverage is provided through the date of delivery and subsequent case review to determine if eligibility is met for any other programs.

Act 407 of the 2007 Louisiana Legislature authorized the addition of Phase V, known as the LaCHIP Affordable Plan. This program provides coverage to children in families with moderate incomes at a cost of \$50.00 per family per month. To be eligible, these children must not have other insurance coverage and must not have access to the State Employees' Health Plan. The premium collection functions are administered by the Office of Group Benefits.

¹Prenatal care services from conception to birth for low-income uninsured women.

²LaCHIP Affordable Plan – \$50.00 monthly premium for each enrolled family.

The income limits for LaCHIP Phases I-V are provided below.

| Monthly Income Limits (Effective 2/1/2016) | | | | |
|---|--|--|---|--|
| FAMILY SIZE | LaCHIP Phase I Monthly Income | LaCHIP Phases II-III Monthly Income | LaCHIP Phase IV Monthly Income | LaCHIP Phase V Monthly Income |
| 1 | \$1,456 | \$2,149 | \$2,119 | \$2,525 |
| 2 | \$1,963 | \$2,897 | \$2,857 | \$3,405 |
| 3 | \$2,470 | \$3,646 | \$3,596 | \$4,284 |
| 4 | \$2,977 | \$4,395 | \$4,334 | \$5,164 |
| 5 | \$3,484 | \$5,143 | \$5,072 | \$6,044 |
| 6 | \$3,992 | \$5,892 | \$5,811 | \$6,924 |
| 7 | \$4,500 | \$6,643 | \$6,551 | \$7,806 |
| 8 | \$5,010 | \$7,395 | \$7,293 | \$8,690 |
| More each additional household member, add this amount. | \$510 | \$753 | \$742 | \$884 |

LDH staff and contractors educate the public about LaCHIP while ensuring LDH has the most up-to-date information on children to secure their continued coverage. As a result of this concerted effort, only 3.8 percent of Louisiana's children are uninsured.³ In addition, efforts to ensure retention for those who still qualify mean that very few people lose coverage at their annual case review.

Louisiana's success in providing health coverage to uninsured children through a combination of technical and policy improvements has been studied by national organizations and used as a model for other states' children's public health coverage programs. A report by Health Management Associates, based upon extensive information gathering and site visits, revealed the following about the management of LaCHIP⁴:

- Louisiana has leveraged both technological and policy solutions to create customer-oriented, simplified enrollment and renewal processes.
- An integrated culture of sustained commitment to continuous quality improvement has helped Louisiana repeatedly simplify the steps that families and workers follow to enroll and renew coverage.

Louisiana has made children's health insurance programs and their management seamless, reducing complexity for families and aligning workers under a single set of goals.

³ Stephen Barnes, Dek Terrell, Stephanie Virgets, and Mike Henderson, *2015 Louisiana Health Insurance Survey*, The Economics & Policy Research Group and the Public Policy Research Lab, Louisiana State University (Baton Rouge, LA), 2016.

⁴ Lisa Duchon, Eileen Ellis, and Rebecca Kelleberg, *Maximizing Enrollment in Louisiana: Results from a Diagnostic Assessment of the State's Enrollment and Retention Systems for Kids*, Health Management Associates (Washington, D.C.), February 2010.

To provide support to the growing number of residents of Louisiana who have limited or no English proficiency, LDH formed the Strategic Enrollment Unit (SEU) in 2004. The unit provides service to applicants and enrollees in the language that they choose. This unit consists of eight bi-lingual Medicaid Analysts, six Spanish and two Vietnamese, and three Spanish job appointments, who provide services to all applicants and enrollees across the state who choose one of these languages as their primary language. SEU staff also provides community service by attending community events where they may reach current enrollees and educate the public on the availability of CHIP coverage.

PROGRAM STATUS

Enrollment

As of December 31, 2016, there were 125,600 children and Phase IV enrollees in LaCHIP.

| | SFY13 | SFY14 | SFY15 | SFY16 | SFY17 |
|------------------|----------------|----------------|----------------|----------------|----------------|
| Phase I | 46,178 | 45,716 | 42,126 | 43,068 | 44,380 |
| Phase II | 34,856 | 35,384 | 32,223 | 23,905 | 450* |
| Phase III | 35,033 | 36,716 | 44,584 | 52,523 | 72,845 |
| Phase IV | 1,498 | 2,249 | 3,405 | 3,241 | 2,927 |
| Phase V | 3,584 | 3,285 | 2,993 | 2,863 | 2,967 |
| Total | 121,095 | 123,350 | 125,331 | 125,600 | 123,579 |

Total Expenditures

| | SFY13 | SFY14 | SFY15 | SFY16 | SFY17 (7/1/16-12/31/16) |
|--------------|---------------|---------------|------------------|---------------|----------------------------|
| Total | \$194,039,282 | \$203,027,833 | \$249,556,004.40 | \$470,551,577 | \$212,363,973.21 |

Per Member Per Month Cost

| | SFY13 | SFY14 | SFY15 | SFY16 | SFY17 (7/1/16-12/31/16) |
|--------------|----------|----------|----------|------------|----------------------------|
| Total | \$131.25 | \$139.16 | \$163.71 | \$327.01** | \$277.42*** |

* Under the Affordable Care Act, Phase II and Phase III LaCHIP children are covered under a single SPA, eliminating the need for the different case types associated with each phase. In October 2016, the children in the Phase II type case were transferred or flipped to the Phase III type case unless an error occurred. This is reflected in the increased Phase III enrollment for October 2016.

** On December 1, 2015, behavioral health services were carved into the Medicaid Managed Care Program. Total Expenditures and the Per Member Per Month (PMPM) Cost for SFY 16 are the first to include behavioral health expenditures for recipients 20 years old or younger in addition to LaCHIP claims. In comparison, the PMPM Cost for LaCHIP claims only in SFY 16 was \$203.19.

***A large portion of the June 2016 PMPM payment was made in July 2016, making the July PMPM higher than normal. The August 2016 PMPM rates were not ready in time, and therefore were paid in September.

CONCLUSION

The Louisiana Children's Health Insurance Program benefits all citizens of Louisiana. Currently, 123,579 children and pregnant women have access to much needed healthcare coverage. National research has shown that healthy children do better in school on many levels. According to the Kaiser Commission on Medicaid and the Uninsured, "Studies of SCHIP's impact have found an association between enrollment in the program and improved school performance among low-income children. Improvements include increased school attendance, greater ability to pay attention in class, improved reading scores, and increased ability to participate in school and normal childhood activities."⁵ Work continues statewide to enroll the remaining uninsured but eligible children.

⁵ Caryn Marks, Cathy Hoffman and Julia Paradise, *The Impact of Medicaid and SCHIP on Low-Income Children's Health*, Kaiser Commission on Medicaid and the Uninsured, Henry J. Kaiser Family Foundation (Washington, D.C.), February 2009.